



KROGER
SMALL BUSINESS
RESOURCE GUIDE

Getting Your Start in Retail: How to Land a Partnership



Welcome to being an entrepreneur! To make the exciting journey of bringing your offering to market a little easier, we thought we'd share advice from the retailer's side of a partnership.

Kroger has long supported small businesses. Through our award-winning **supplier inclusion program**, led by a dedicated team responsible for identifying and forming partnerships with Black, Indigenous, and People of Color (BIPOC) entrepreneurs as well as brands and services operated and founded by women, veterans, LGBTQ individuals and other dimensions of diversity, we support, promote and grow diverse-owned enterprises across our sizeable operation.

Kroger currently works with more than 1,600 minority suppliers, ranging from food and beverage to health and beauty and product distributors to service providers. As a member of the Billion Dollar Roundtable, we continue to partner with diverse businesses in innovative ways, including by investing in incubators and accelerators, expanding relationships with existing partners, hosting and participating in supplier summits, and through partnerships with leading organizations like the National Minority Supplier Diversity Council and Women's Business Enterprise National Council.

Kroger is eager to continue building our portfolio of small businesses and minority business enterprises. This guide focuses on best practices to land retail product placement and is intended to offer helpful insights to small brands that are looking to pitch Kroger – or any other retailer.

The Kroger Supplier Inclusion Team







1. Product Development

A. Finalize your product

1. Pilot your product with family members, friends, ... and those outside of your network because this group may yield a more honest product review than those within your immediate network.

Areas to consider depending on your product:

- Pricing (how much your customer is willing to pay for it)
- Taste, texture, ingredients, and quality (food)
- Scent, texture, contents, and quality (health & beauty)
- Functionality (packaging, durability, and effectiveness)

2. Conduct competitive research to understand consumer demand, other competitors, and average pricing structure for comparable products.

3. Identify your core buyer, and leverage those insights to evolve your product.

B. Finalize your brand

1. Create branding and marketing materials, including slide decks and digital or print brochures, to share with prospective vendors. Include:

- Product descriptions and names
- Product imagery
- Brand overview and values
- Pitch and value proposition
- Contact information

2. If it's a food item, develop packaging that meets U.S. FDA labeling regulations and complements your brand's values and personality.

3. Set up and begin running social media sites (see promotion section) to create a more marketable and engaging brand.





2. Pricing

A. Understand the market value of your product portfolio

1. Conduct research to understand the market value of your product. This means looking at the average retail price of your item and determining where your product stands against competitors among other factors.

B. Establish your price structure

1. Based on your research, establish a pricing structure that takes production and shipping costs, profit margins as well as consumer and economic trends into consideration.

C. Be ready to negotiate

1. Set parameters around your price structure to ensure you can confidently negotiate and validate your pricing rationale with a prospective retailer.
2. Additionally, negotiate appropriate payment terms with the retailer's category manager/buyer/decision maker.





3. Supply Chain

A. Understand your product goals

1. To efficiently prepare your supply chain, estimate demand and set your sales goals.

B. Plan for disruption

1. Damages, shipping delays, inclement weather, holidays, or unexpected events can affect the efficiency of your supply chain.
2. Prepare for potential delays or situations by considering the location of each of your supply chain partners and understanding the potential factors at play.

C. Establish a tracking system

1. Set up an organized tracking system to increase transparency and organization within your supply chain. This tracking system should allow you to:
 - Track packages the moment they leave your facility or supplier network.
 - Maintain a digital record of activities.
 - Show your entire supply chain, including inventory, suppliers, categories, etc.



4. Promotion

A. Develop an integrated, multi-channel marketing plan

1. Be prepared to share your strategy and metrics.
2. Show how your advertising plan works and drives sales and demand and how this strategy will boost the performance of your product at the retailer.

B. Get active on social media

1. Create a consistent aesthetic/look across your social channels to showcase your brand and aim to have the same social handle/name (e.g., @Kroger) on all channels like Facebook, Instagram, LinkedIn, TikTok and Twitter.
2. Post frequently and diversify your content to highlight business milestones and results as well as news and events (e.g., product launches, partnership deals, personnel announcements, etc.)

C. Power of publicity

1. Work with local, regional and/or national journalists and writers to tell your brand story through earned media placements (e.g., digital news article or television segment).
2. Share earned media placements with prospective retailers.
3. Use your company's website as a blog to publish unique brand content and drive consumers to the website through advertisements, press releases, earned media, and social media channels, etc.



SPOTLIGHT:

TrueChoicePack

Founded in 2008 in Greater Cincinnati, TrueChoicePack (TCP) is a disposable products supplier for private label brands and also produces two of its own brands. TCP products include food service tableware, trash can liners, wipes, gloves and food storage bags. TCP connected with Kroger in 2013 at a National Minority Supplier Development Council trade show. Kroger's supplier inclusion team mentored TCP and helped position the company to become a Kroger supplier. In 2017, Kroger recruited TCP to supply compostable, eco-friendly tableware for the retailer's popular Simple Truth® brand. Since then, Kroger has expanded TCP's portfolio and partnered with the company to launch additional high-quality products like dinner plates, cups, and trash can liners.

Mason, OH
truechoicepack.com





5. Research and Prepare

A. Invest time in researching

1. Dedicate between 15-20 hours researching the retailer.
2. Visit their website.
3. Study the company's annual report.
4. Review quarterly financial reports.
5. Visit their retail stores to understand key areas of focus, including:
 - Store layout and location of products
 - Diversity and variety of products similar to your brand
 - Communities surrounding store(s) and customer demographics
6. Identify the retailer's priorities and areas of opportunities, including:
 - Any product categories the store may carry in excess
 - Product categories the store may insufficiently carry
 - Private brands and labels that the store may be invested in
 - Product categories the store may be missing that your brand can fulfill
7. Visit the retailer's corporate website to identify if they have a supplier or vendor team that works directly with small businesses (many do!).

B. Learn from current vendors

1. Invest time in connecting with and learning from other vendors that supply the retailer.
2. Establish relationships with vendors that service the retailer, enlisting them as mentors and coaches.

C. Connect with your target retailer

1. Review the company's new supplier checklist before engaging the retailer.
2. Explore diverse supplier certifications with the certifying organizations like
 - National Minority Supplier Development Council (NMSDC)
 - Women's Business Enterprise National Council (WBENC)
 - U.S. Pan Asian Chamber of Commerce (USPACC)
 - National Gay and Lesbian Chamber of Commerce (NGLCC)
 - National Veteran Business Development Council (NVBDC)
 - U.S. Department of Veteran Affairs (USDVA)
 - Disability:IN



SPOTLIGHT:

4Sisters Rice

4Sisters Rice is a women-owned company that's certified by the Women's Business Enterprise National Council (WBENC). The brand offers sustainably grown organic and enriched rice products to consumers nationwide that are grown by family farmers who source premium seed varieties from local suppliers. The brand's founder Meryl Kennedy built a relationship with Kroger when she attended a WBENC conference, where she met one of the retailer's category managers. Kroger was 4Sisters Rice's first retail partner, enabling the brand to expand nationally. Prior to 2020, 4Sisters had distribution in about 1,000 Kroger family of stores, but with the support of the supplier inclusion team, the brand has expanded to hundreds of additional stores. Inclusive of other retailers, 4Sisters is now available in 4,000 stores.

Mer Rouge, LA
4SistersRice.com



3. Engage with your store's supplier inclusion team at a tradeshow, by completing an application or by email or phone, if accessible.
4. Once connected, leverage your time to identify:
 - Areas of opportunity/trends
 - If you are business model can adequately serve the retailer (i.e., distribution and volume)
 - Identify if you can provide a unique service or product to the retailer
 - Other small businesses or minority business enterprises (MBEs) that may be able to coach or mentor you
5. Learn processes and requirements to serve the retailer.
6. Obtain access to the retailer's category manager/buyer/decision maker.
7. Receive coaching and guidance on how and what to present to a category manager/buyer/decision maker.
8. Participate in webinars or training sessions provided by the retailer as well as councils and chambers of commerce.

D. Nail your messaging and communication style

1. Have a consistent tone in your oral, written, and visual communications.
2. Build a message track focusing on your value proposition, key brand attributes and talking points.
3. Keep messaging concise, understandable and impact focused as you begin to engage in conversations.
4. Communicate your niche. What makes your product different from anything else they already sell? Why do people buy your product? What need does it fill? Have these answers in mind before you engage in the conversation.
5. Rely on the message track for pitch sessions.

E. Prepare your materials

1. Compile informational documents to have on hand upon request.
2. Make sure all information you share with a retailer is consistent – both in style (tip: use a free graphic design service like Canva) and content.
3. Ensure all external channels (i.e., website, social channels, etc.) are current and refreshed ahead of engaging a retailer about a partnership.



SPOTLIGHT:

Cacique

Cacique is the top-selling brand of Hispanic dairy and meat product in the United States, producing cheeses, creams, chorizos, queso dips, salsas, and yogurt smoothies. The company was founded in 1973 by Gilbert de Cardenas and first partnered with Kroger as a local direct-to-store-delivery vendor in the early 90s in Los Angeles. Since then, Cacique has scaled its business with Kroger by establishing a strong partnership with category managers, the multicultural merchandising team, and 84.51°, the retailer's data and analytics firm. Together, Cacique and Kroger have collaborated and innovated, and most importantly, engaged consumers through advertising and promotions. Cacique uses social media marketing to connect with consumers, sharing recipes and meal inspiration content on platforms like Instagram, Facebook, Pinterest, and YouTube. Today, Cacique is distributed in 32,000 stores across the country.

Los Angeles, CA
caciqueinc.com





6. Outreach

A. Perfect your pitch

1. Lean into your brand's core value propositions.
2. Share your differentiators.
3. Highlight why your product is distinct from those already carried by the retailer.
4. Stand out! Be you.

B. Personalize your pitch

1. Aim for pitching in-person to build a relationship with your prospective retailer.
2. If that's not possible, create personal connections digitally by personalizing your communications and request a virtual meeting via Zoom, Microsoft Teams or Google Meet.

C. Be persistent but understanding

1. Follow up intermittently with a prospective partner if you haven't heard back but understand you're not the only brand trying to capture their attention and business.
2. Share progress and results of your product on a monthly, quarterly and/or annual basis.
3. Diversify your pitch approach to match the personality of the retailer and your contact.

D. Networking is key

1. Attend tradeshow events, including those hosted by the retailer, which are often used as a supplier recruiting tactic (e.g., Kroger hosts an annual supplier summit to source new partners and products for its stores).
2. Join minority supplier organizations like the National Minority Supplier Development Council or Women's Business Enterprise Diversity Council to secure certification, training, networking, and gain access to other entrepreneurs and retailers.
3. Join local, regional, or national chambers of commerce that provide access to corporations and other MBEs (e.g., organizations like the U.S. Hispanic Chamber of Commerce can often introduce small businesses and MBEs to a retailer's supplier inclusion team.)

E. Don't be deterred by rejection

1. Not every retailer will be interested or able to accept your brand. Don't stop your pursuits if a retailer passes. The best step is asking for feedback and moving onto the next prospective target!





SPOTLIGHT TRUE SHEA

True Shea is a natural skin and hair care brand that sources shea butter from Ghana that helps heal eczema, dermatitis, sunburned and peeling skin, dark spots and discoloration, stretch marks, wrinkles and blemishes, and brittle and damaged hair. True Shea donates a portion of every sale to a community development fund in Ghana to improve working conditions, health, education and access to portable water. As more consumers seek out natural health and beauty products, True Shea has capitalized on the trend and experienced exponential sales growth. With the help of Kroger's health and beauty and supplier inclusion teams, True Shea started selling its products in October 2019 across 325 Kroger family of stores. Since then, its distribution has expanded to 1,000 additional stores as well as other retailers.

*Cincinnati, OH + Ghana
naturalsheacare.com*



7. Partnership Development

A. You've landed the deal. What now?

1. Identify how you can support promotional programs offered by the retailer.
2. Start with a small footprint of stores and then negotiate/pitch expansion to new markets based on single-market results.
3. Once your company experiences significant growth, be prepared to scale your supply chain to prevent product unavailability/out-of-stock conditions.
4. Establish an annual business review with your category manager/buyer and supplier inclusion team.
5. Focus conversations on category growth and how your product is driving category growth vs. just your company's results.

B. Innovation fuels growth

1. Continue to innovate and focus on category trends and themes.

C. Data rules

1. Leverage internal and external data to influence business decisions.
2. Use primary and secondary market data and insights from companies like Nielsen and IRI. Share category trends from your company's perspective.



Thanks for downloading the guide. We hope the advice is beneficial.

To apply to become a Kroger supplier, visit [here](#).

The Kroger logo is centered in white on a dark blue background. To the right of the logo is the tagline "FRESH FOR EVERYONE™". Below the logo is a horizontal banner featuring logos for various Kroger brands and services, including: Z151, Baker's, @by2020, Coffee, Ruffalo, Food 4 Less, Feast Co, Fred Meyer, Fred Meyer Jewelers, fru's, Goodies, Marisa Tinker, Home Chef, PlayC, KING, Kroger Personal Care, Marlanos, metro market, and Sun Lane. At the bottom of the banner are logos for Omelet, Pick-N-Save, Qdoba, Roundys, Ruler, Smiths, The Home Depot, and VitaCost.